
**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE
MEETING MINUTES**

October 18, 2011

A meeting of the Benefits and Program Administration Committee (BPAC) was held on Tuesday, October 18, 2011, in the Lincoln Plaza North Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at 8:30 a.m. and the roll was called. The following members were present:

George Diehr, Chair
Rob Feckner, Vice Chair
Terry McGuire for John Chiang
Richard Costigan
Henry Jones
Priya Mathur
Louis Moret
Tony Oliveira
Howard Schwartz for Ronald Yank

Other Board Member(s):

Grant Boyken for Bill Lockyer
JJ Jelincic
Michael Bilbrey

**AGENDA ITEM 3a – PROPOSED AMENDMENTS TO BOARD ELECTION
REGULATION SECTION 554.4 CANDIDATE STATEMENT**

Janell Bonilla, Assistant Chief, Operations Support Services Division, presented the Proposed Amendments to Board Election Regulations Section 554.4 Candidate Statement as an action item.

On **MOTION** by Mr. Feckner, **SECONDED** by Mr. Costigan and **CARRIED**, the Committee recommended the Board accept and approve the proposed amendment changes to Board Election Regulation 554.4 Candidate Statement.

**AGENDA ITEM 3b – 2011 MEMBER-AT-LARGE SPECIAL BOARD ELECTION
AND RETIRED BOARD ELECTION SUMMARIES**

Ms. Bonilla presented the 2011 Member-At-Large Special Board Election and Retired Board Election Summaries as an information item.

AGENDA ITEM 3c – PROPOSED REGULATION FOR CONTRACT RELATED DISCLOSURE POLICY

Peter Mixon, General Counsel, presented the Proposed Regulation for Contract Related Disclosure Policy as an action item.

On **MOTION** by Mr. Jones, **SECONDED** by Mr. Costigan and **CARRIED**, the Committee recommended the Board approve the proposed regulatory language and initiation of the rulemaking process to add Section 559.1 to Title 2 of the California Code of Regulations to establish required contract disclosures. The proposed regulation included in your folders was updated after the BPAC meeting to reflect a revision to section (a)(2), definition of Board Member, as requested at the committee meeting.

AGENDA ITEM 4a – BOARD MEMBER EMPLOYER REIMBURSEMENT

Russell Fong, Chief Financial Officer, presented the Board Member Employer Reimbursement as an action item.

On **MOTION** by Mr. Feckner, **SECONDED** by Mr. Schwartz and **CARRIED**, the Committee recommended the Board approve the proposed Board Member percentage of time to be spent on Board-related duties for Michael Bilbrey for FY 2011-12.

AGENDA ITEM 4b – PROPOSED REGULATIONS REGARDING PERSONAL TRADING

Larry Jensen, Chief Risk Officer, Office of Enterprise Risk Management, presented the Proposed Regulations Regarding Personal Trading as an action item.

On **MOTION** by Mr. Feckner, **SECONDED** by Mr. Oliveira and **CARRIED**, the Committee recommended the Board approve the proposed Personal Trading Regulations as a first reading and direct staff to bring the regulations back for a second reading before initiating the rulemaking process.

AGENDA ITEM 5a – EFI'S PARALLEL VALUATION AND CERTIFICATION OF THE JUNE 30, 2010 ACTUARIAL VALUATIONS FOR JRS, JRS II, LRS AND THE 1959 SURVIVOR PROGRAM

David Lamoureux, Deputy Chief Actuary, presented EFI's Parallel Valuation and Certification of the June 30, 2010 Actuarial Valuation for JRS, JRS II, LRS and the 1959 Survivor Program.

On **MOTION** by Mr. Feckner, **SECONDED** by Mr. McGuire and **CARRIED**, the Committee recommended the Board accept EFI's parallel valuation and certification reports in completion of Task 3 of Contract 2009-5377 for the following actuarial valuations as of June 30, 2010:

- Legislator's Retirement System (LRS)
- Judges Retirement System (JRS)
- Judges Retirement System II (JRS II)
- 1959 Survivor Program

AGENDA ITEM 5b – REVIEW OF BOARD ACTUARIAL POLICIES

Alan Milligan, Chief Actuary, presented the Review of Board Actuarial Policies as an information item.

AGENDA ITEM 5c – CHIEF ACTUARY REPORT

Mr. Milligan presented the Chief Actuary Report as an information item.

AGENDA ITEM 6a – CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST (CERBT) UPDATE

Rand Anderson, Acting Chief, Affiliate Program Services Division, presented the CERBT Update as an information item.

AGENDA ITEM 6b – DEPUTY EXECUTIVE OFFICER REPORT

Donna Lum, Deputy Executive Officer, Customer Services and Support, presented the DEO matrix as an information item.

AGENDA ITEM 6c – DRAFT AGENDA FOR THE DECEMBER 13, 2011, BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE MEETING

The Committee approved the draft agenda as presented.

AGENDA ITEM 7 – PUBLIC COMMENT

Katherine Regan, California Attorneys in State Employment, provided general comments on their opposition to their members coming under the proposed regulation in Agenda Item 3c.

The next meeting of the Benefits and Program Administration Committee is scheduled for December 13, 2011, in Sacramento, California.

DONNA RAMEL LUM
Deputy Executive Officer
Customer Services and Support

Date